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# MARKETING ACTIVITIES



U. S. Department of Agriculture  
Production and Marketing Administration  
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The facts behind this season's near-record crop of turkeys make interesting reading--particularly when they point to "second helpings" of the big birds. Moreover, Mr. Snell, of the Information Branch, says it looks like lower prices this year, with king-size and family-size gobblers and turkey steaks available.

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Wheat data, helpful to both the producers and the trade have been collected cooperatively by the Kansas State Board of Agriculture and USDA. Mr. Foster, in charge of USDA's division servicing State boards and departments of agriculture under the Research and Marketing Act, reports that the information on type, protein content and test weights will offer producers a basis for requesting premium prices. At the same time the information will direct millers to the wheat that best suits their needs.

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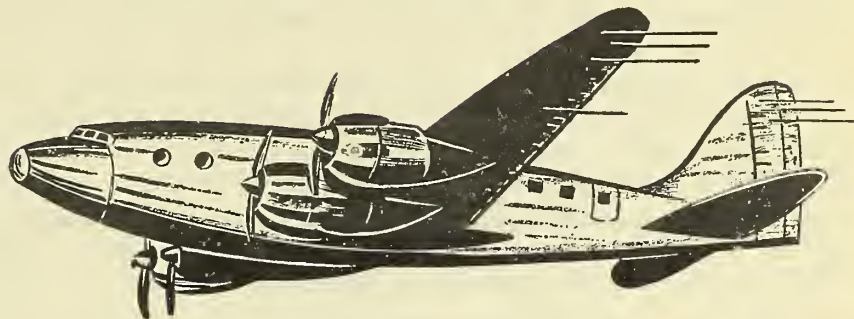
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# Research Pays Off in Air Freight



By Norman D. Hummon

When formations of garden-fresh fruits and vegetables begin flying into Eastern markets chalk up another victory for marketing research! Putting the wings under perishables has proved to be more than a feat by aeronautical engineers--it has also taken the efforts of marketing researchers to pave the skyways for agricultural commodities.

For more than five years United States Department of Agriculture researchers have been studying the paper- and ground-work of the air freight industry and the promise it holds for the transportation of agricultural commodities. Their studies have been augmented considerably by the operations of some heretofore uncertificated fledgling airlines already carrying perishables. Now, however, their research has assumed a new perspective, for, effective as of August 12 the Civil Aeronautics Board has certified three all-cargo air freight carriers partially on the basis of the air freight potential in agricultural commodities. In effect this decision offers the new industry a chance for survival and expansion on a relatively free and completely unsubsidized method of operation.

## Progress out of Problems

It can be now expected that routine air-borne cargoes of perishable fruits, still sparkling with California dew, and Florida tomatoes ripened on the vine will reach their marketing centers a dozen or so hours after they have left the production area. Of course many problems connected with air transport of perishables are yet unanswered and necessary facilities must be developed. But new transportation means have always faced uncertainties, and somehow progress has been the outcome.

Back in 1944 when certificated airlines were charging a prohibitive 70¢ a ton-mile for air freight, the Department of Agriculture marketing researchers developed a premise that agricultural perishables, if hauled under proper conditions, could be airborne at much lower cost. These researchers called in for consultation an expert in the field of air freight

operations. Together they set up a hypothetical operation transporting tomatoes and strawberries from Florida to northern markets, and moving industrial products from the northern industrial areas to the deficit-producing southern areas.

Based upon their assumptions and upon the evidence of costs existing in 1944, they concluded that instead of the current 70¢ per ton-mile, the operation could be done at from 10¢ to 15¢ per ton-mile.

Not satisfied with these encouraging results alone, the researchers worked out another operation with slightly different assumptions in which they proposed to transport payloads of perishables from the West Coast to the northeastern part of the United States, while on the return trip, industrial commodities were to be moved to the West Coast. The figures again indicated that such an operation would be acceptable to the carriers at a rate of less than 10¢ per ton-mile.

The certificated airlines strenuously differed with the results of the studies and maintained that such operations were not feasible. It is significant, however, that shortly after the reports were released, air freight rates began to decline. Later, after air freight companies began operations, competition stimulated further reductions in rates. And now, even though air freight costs are higher than they were when these research studies were made, the higher costs have been in line with the comparable increases in other forms of transportation.

#### Expansion Since 1946

Ton-miles of freight transported have risen greatly since the period first studied by researchers interested in air transport of perishables, though increases were insignificant until after 1946. From that point the tonnage carried swept upward from 45 million ton-miles to 116 million ton-miles in 1948, excluding almost 30 million ton miles of air express.

The background for the ultimate development of the air freight industry however, cannot be confined to this two-year period, nor can it be attributed entirely to the pioneering studies of marketing researchers of the Department and the participating airlines. Much of the ground work, and many of the flight techniques were direct outgrowths of World War II. During the conflict a vast commercial and military cargo was moved in behalf of the war effort. Everyone was awed by the physical magnitude of these operations during both the years of combat and the postwar period. The Nation became air-minded on a large scale as such operations as "flying the Hump" and the Berlin airlift demonstrated that practically anything--even coal--could fly.

This expansion of the business of flying during the war meant that hundreds of thousands of Americans received either direct flight training or instruction directly related to the maintenance of air service. Great advances both in the development of aircraft and in the intricate business of "keeping 'em flying" were made. Moreover, at the war's end thousands of inactivated aircraft were already reasonably suitable to air transport or adaptable to conversion for such use. And finally, during

the war many of those engaged in air operations had thought through the blueprints for some of the air freight carriers which recently sought and received the CAB certificates.

Throughout this entire incubation period the Department carried on its research in air transportation of perishables and took a significant role in encouraging development of the industry. With the termination of the war, it was not a simple matter to convert service dreams into profitable commercial realities. At this point the research of the Department proved invaluable to the air freight interests and several of the companies that were formed followed very closely the pattern of organization and operation suggested by the Department. The Department pointed out the need for rapid transportation of agricultural perishables from the South, the Southeast, and the far West, to the industrial northeastern section of the United States. Moreover, the Department and those familiar with the problem saw that if the advantages of air transportation were to be realized in transporting agricultural products, it was essential that such operations be allowed considerably more flexibility than the point-to-point authorization existing for the present carriers of passengers.

#### Area to Area Operations Authorized

The case for the more flexible certification was made before the CAB, and that body, recognizing the geographical diversion of production of agricultural commodities, has granted the newly licensed carriers permission to operate largely on an area to area basis. Specifically, the lines are authorized to operate from a substantial number of designated points within the areas of agricultural and industrial production. In effect, agricultural items will be airborne northward and eastward while the industrial air candidates will move in a westerly and southerly direction.

Figures based on census data show that the northeastern area is overwhelmingly surplus in the value of industrial products which may be airborne, but considerably deficit in food products which are potential air candidates. Similarly, the data show the north central area to be surplus in industrial products and short in agricultural commodities. In general, the reverse is true for the southern, western and the northwestern areas.

While there is general agreement that air freight will become an important part of the total air traffic there is considerable variance as to the ultimate air traffic potential. In hearings before the CAB, estimates offered by the candidates for the 1950 domestic air freight traffic potential, at rates of from 6 to 20 cents per ton-mile, ranged from 60 to 2,000 million ton miles. In the opinion delivered by the Board, the 1950 air traffic potential, based on a continuation figure from the three years growth, 1946-48, is estimated at not less than 1 billion ton miles annually. The Board, however, considered the lower ton-mile rate figures offered by the candidates to be on the optimistic side. After investigation of air freight rates, the Board, in June 1948, issued an order establishing minimum rates for general commodities at

"16 cents a ton-mile for the first 1000 ton-miles in any one shipment and 13 cents a ton-mile thereafter."

Pertinent to the question of rate fixing and the financial stability of the certified carriers the majority of the Board has stated that "in light of future economies possible with greater volume and perhaps with improved equipment... no future rate increases large enough to effect the air freight potential are anticipated." However, an important consideration in the building of a transportation service--illustrated by the development of both the railroad and trucking industry--is the establishing of a varying rate scale for commodities, sliding commensurately with the value and demand for particular items. For this the Board had promised approval "when they (commodity rates) show promise of contributing to the sound development of this field." This was granted through the period extending from July 21, 1948 to April 8, 1949 as four supplemental orders modifying minimum rates have been issued granting permission to operate on a commodity rate basis.

The effect of the new provisions has been to stimulate the movement of certain perishables because of the more favorable rates allowable. These increases will serve to add to the steadily climbing total air freight tonnage. For nearly all airlines the ton-mile totals for 1948 were considerably greater than for 1947. Industry-wide, the increase amounted to 38 percent, or a jump from 84,000,000 ton-miles in 1947 to the 116,000,000 ton-miles last year.

#### Tonnage Reflects Active Solicitation

These constantly mounting totals have reflected the active solicitation of business wherever it appeared as well as operational and engineering refinements of the airlines. Of the agricultural perishables carried, cut flowers and nursery products still remain the largest single source of air freight with an estimated average daily volume of 50,000 pounds moving eastward daily from California shipping points.

But while the characteristics of flowers maintain them as the No. 1 perishable freight candidate, one of the recently certified airlines reports that in May 1949, its movement of fruits more than doubled that of flowers. In May this airline flew approximately 335,000 ton-miles of fruits as compared to roughly 160,000 ton-miles of flowers. During the same period the airline carried vegetable shipments amounting to 137,000 ton-miles and nursery stocks totaling a little more than 35,000 ton-miles.

Several of the passenger and all-freight air carriers have flown substantial quantities of strawberries this year to the Northwest, the Midwest, and the East. Cherries, Florida mangoes, California asparagus, and small lots of prepackaged spinach and other vegetables are making cautious but increasing use of air freight.

During the first half of 1949 the utility of the freight plane has been demonstrated in such operations as the movement of 500,000 pounds or approximately 20 carloads of tomatoes and peppers flown in from Culiacan, Sinaloa, Mexico, to Nogales, Arizona. During the period of

these shipments railroad bridges had been washed out by floods, and parts of the rich Sinaloa producing area were isolated from U. S. markets except by air. In May another passenger and freight carrying airline flew some 6,000 pounds of fancy California strawberries to Honolulu. It is reported that the Islands will use 3,000 pound lots three times a week during the California strawberry shipping season.

The air transportation of many perishables is still in the developmental stage. The extra appeal to consumers of the garden-fresh quality, as well as the actual value of extreme freshness itself, varies considerably with different commodities. For example, strawberries are benefitted far more by quick delivery to market than is such a commodity as endive. Sea foods must be classed with those commodities whose value is most enhanced when they are sped to the consumer. The feasibility of flying any commodity will of course be promoted as experience is gained and operational improvements are incorporated.

### All-Cargo Operations Considered Separate Enterprise

With respect to the ultimate air freight potential to be taken by the newly certificated carriers, it was the majority opinion of the Board that their share would not be tonnage diverted from the established air lines primarily devoted to transporting passengers. The Board has put its blessing on revenues obtained by the established airlines from combination services--that is, the carrying of air freight with passengers--but it views the operations of the all-cargo lines as a vital, undeveloped and distinct enterprise. The majority opinion of the ruling reads in part: "The certification of unsubsidized all-cargo carriers will require such carriers to bend all their efforts and to direct their abilities and skill to the full development of the air freight potential. Such carriers will not be able to rely on passenger operations or mail payments to furnish the greater portion of their revenues. They will live and prosper only through their ability to develop an economic business and by constant search for new techniques, new business and new equipment. To the extent that they succeed in such endeavors they will, by their example, benefit the presently certified carriers and air transportation as a whole; and new methods, equipment, and managerial improvements will be made available to the entire industry. Thus the cargo carriers will provide a valuable yardstick for measuring the alertness and efficiency of other carriers of cargo."

### Only Certain Commodities Can Be Flown

The newly certificated air freight carriers are frank in admitting that considerable ground work still must be done before agricultural commodities can be flying in volume. Great changes in harvesting, processing, packaging assembly and marketing must be made before the advantages of air transport can be fully realized. Even under ideal conditions air freight operations must be guided by strict limitations. Only certain commodities which have compactness, fragility, perishability, and high value per pound can qualify as air candidates. Other considerations may be the novelty value added by air carriage, the increased utilization effected, or emergency factors or values which rely entirely on speed of transport.

In meeting the actual problem of contacting producers and markets, the air carriers will have certain factors in their favor. Foremost among these is the fact that movements of produce may be considered in terms of hours rather than days as must be the case with truck and rail connections. Airlines, in the precise nature of airborne operations, will be able to offer producing agencies exact loading schedules vitally important to the handling of perishables. These will be subject to the normal caprice of weather but the fixed loading schedules are considered to be one of the important features of air service. Proof that the contacts can be made efficiently is found in the profitable service now being offered producers of cut flowers, a highly perishable commodity.

### Producer-Carrier Contacts Vital

Thus far in the development of air freight traffic the bulk of the contact work has been done by the carriers. When these points of contact between airlines and producers become more numerous, and as producers themselves recognize the value of air transport to their particular products--then will this now-difficult phase of air transportation be minimized. It may be that producers can make important contributions through adjusting production to meet new consumer demands, or they may make sure that the packaging and preparation of their products meets the exacting requirements of weight and sizing demanded by air transport.

Airborne operations will bypass much of the conventional handling, storing and warehousing involved in surface transportation. Other advantages may be found in the simpler and lighter packaging and crating possible in air transport. Problems involved in refrigeration and preservation can be cut down in fast delivery to markets. Because of the short periods involved, commodities can be processed to table-readiness, and much bulky and useless tonnage can be pared away. Finally, perishable commodities can be moved to consumers' tables thousands of miles in a garden-fresh state, rich in the flavor of maturity and high in the vitamins and nutrients present in naturally ripened products.

### Increased Value Must Pay Costs

But in spite of all these advantages, the ultimate success of air transport of perishable agricultural commodities rests on one major premise: That the speed of air transport gives sufficient added value to the commodity airborne to offset the higher unit costs for transportation.

Lesser points to be explored involve the increased outlets air transportation may offer producers of certain air candidates, the improvements the threat of air transportation will enforce in other means of transportation, and the possibility that economies may result where certain commodities requiring special transport conditions may be moved more economically by air. For, as the CAB has indicated in its ruling, the improvements the newly certified carriers are able to incorporate in their own operations will not end there but will be extended in effect to the entire transportation industry.

# School Lunches by the Billion

By Miriam White

Nearly 30 million children are back in school--some eager, some with long faces. But, whatever their opinion of classroom work, more of them than ever before can look forward to a nutritionally balanced noon-day lunch. And farmers, who produce the bulk of the foods used in school lunches, can expect an enlarged market for their products.

This optimism about the food phase of the coming school year traces to the fact that Congress a few months ago appropriated \$83,500,000 as the Federal contribution toward operation of the 1949-50 National School Lunch Program. It is estimated that about three times this amount will be provided from sources within the States. In addition, the U. S. Department of Agriculture will donate for school lunch use a substantial volume of commodities acquired under surplus removal operations. And local groups and individuals also will contribute foods and services to assure the success of the program.

## Local Food Helps

In addition to commodities distributed by USDA during 1948-49 food having a value of about \$170,000,000 was purchased locally by the 48,000 schools participating in the program. Production and



*We'd like to think that each of last year's billion school lunches brought on a smile like this one. But smiles or no--good food is a strong ally of better education.*

Marketing Administration officials who guide operations of the program estimate that the value of food used in schools this year probably will exceed the 1948-49 total.

It all means that more than 1.1 billion nourishing lunches will be served to approximately a fourth of the Nation's school children during the coming school year. It means, too, that PMA is carrying out the intent of Congress, as expressed in the National School Lunch Act "to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities. . ."

### Healthy Children Are Better Students

The school lunch program has come a long way since voluntary societies first took on the task of providing free lunches for needy children. That was more than 40 years ago, about the time Robert Hunter's book "Poverty" was published. One of Hunter's chief observations in his study of social and economic effects of poverty was that of malnutrition in children. Pointing out that there were approximately 3 million undernourished school children in the country at that time, Mr. Hunter declared:

"It is utter folly, from the point of view of learning to have a compulsory school law which compels children, in that weak physical and mental state which results from poverty, to drag themselves to school and sit at their desks, day in and day out, for several years, learning little or nothing... If it is a matter of principle in democratic America that every child shall be given a certain amount of instruction, let us render it possible for them to receive it...."

The movement progressed some during the following two decades, but it was not until the depression years that the American people really awakened to the need for feeding hungry school children. Charitable organizations, municipalities, and some State governments sought to meet the need, but their efforts were often thwarted by lack of local funds where the need was greatest.

Large-scale Federal aid began in 1935, when the 74th Congress enacted the now-famous section 32, of Public Law No. 320, which authorizes the use of 30 percent of yearly customs receipts for the development of new outlets for farm products. The newly-established Federal Surplus Commodities Corporation (later the Surplus Marketing Administration) was authorized to use those funds for buying surplus farm commodities and distributing them outside normal trade channels. By the spring of 1941, the Department of Agriculture was donating 56 million pounds of food-stuffs a month to schools serving free or low-cost lunches. The program was benefiting 4,715,000 children and, at the same time, was helping to protect farmers' incomes by providing a market for part of the surpluses.

Although farm surpluses were no problem during the war years, the need for a program to prevent and correct malnutrition was brought into

sharp focus when all too many young men were rejected by the Selective Service System because of physical defects traceable to nutritional deficiencies. The school lunch program was continued as a measure to safeguard national health and security, but still on a year-to-year basis, with Congress authorizing each year the use of Section 32 funds, up to a specified amount, for this purpose.

### Congress Makes School Lunch A Long-Range Program

Recognizing the shortcomings of dependance on year-to-year legislation, with its consequent short-range planning, and the need for increased domestic consumption of farm commodities, Congress in 1946 enacted the National School Lunch Act, providing for a permanent national program.

The Act authorizes the following types of Federal assistance:

(1) Cash reimbursement for a part of the school's expenditures for local purchases of food. These funds, which make up a large part of the Federal appropriation, must be matched from sources within the State.

(2) Foods of special nutritive value which are purchased economically in large quantities by the Department of Agriculture and distributed to participating schools in accordance with need. In the fiscal year 1949, these foods included pasteurized process Cheddar cheese, nonfat dry milk, canned tomatoes and tomato paste, concentrated orange juice, and peanut butter.

(3) A part of the foods purchased by the Department of Agriculture under Section 32 surplus removal operations. These foods may be distributed to all schools serving lunches on a nonprofit basis, regardless of whether they participate in the reimbursement plan.

(4) Funds to assist in the purchase of equipment for preparing and serving school lunches. Funds for this purpose have not been appropriated, however, since the first year of operation under the Act--the fiscal year 1947.

### Participation Must Be on a Nonprofit Basis

Public and nonprofit private schools may apply for Federal aid through their State educational agencies. In those States where the State educational agencies are not permitted by State statute to disburse federal funds to private schools, these schools may apply for participation to area offices of the PMA Food Distribution Program Board to comply with minimum nutritional requirements as established by the Department of Agriculture. The program must be operated on a nonprofit basis. Schools must purchase, insofar as practicable, foods which are designated by the Department of Agriculture as being in national or local abundance. Lunches must be available to all children without discrimination and served free of charge or at reduced prices to those unable to pay the full cost.

State educational agencies administer the program within their respective States. After entering into an agreement with the Department of Agriculture and submitting an acceptable Plan of Operation, each State receives in quarterly installments its share of Federal funds.

Allocations of funds to States and Territories for the 1949-50 program total \$64,625,000, as follows:

Alabama	\$2,290,495	Nevada	\$ 34,414
Arizona	350,947	New Hampshire	223,104
Arkansas	1,785,838	New Jersey	1,263,018
California	2,603,791	New Mexico	373,279
Colorado	424,360	New York	3,395,902
Connecticut	511,428	North Carolina	2,760,998
Delaware	86,278	North Dakota	217,619
District of Columbia	181,136	Ohio	2,576,365
Florida	1,086,485	Oklahoma	1,461,547
Georgia	2,315,262	Oregon	570,728
Idaho	245,728	Pennsylvania	3,741,015
Illinois	2,339,160	Rhode Island	215,078
Indiana	1,507,348	South Carolina	1,776,427
Iowa	1,163,762	South Dakota	269,017
Kansas	725,089	Tennessee	2,070,789
Kentucky	2,100,314	Texas	3,612,744
Louisiana	1,745,553	Utah	337,983
Maine	424,895	Vermont	167,202
Maryland	695,856	Virginia	1,613,536
Massachusetts	1,440,327	Washington	818,033
Michigan	2,220,678	West Virginia	1,215,067
Minnesota	1,239,294	Wisconsin	1,261,309
Mississippi	2,239,594	Wyoming	99,920
Missouri	1,605,852	Alaska	11,684
Montana	180,806	Hawaii	89,972
Nebraska	534,630	Puerto Rico	2,358,953
		Virgin Islands	44,391

#### Per Capita Income Considered

The funds are allocated to States on the basis of a formula which takes into account the number of children of school age and the per capita income of the State. States are required this year to match these funds dollar-for-dollar, from either private or public sources. For fiscal years 1951 through 1955, the law requires that States provide \$1.50 for each dollar of Federal funds. After 1955, each Federal dollar must be matched by three dollars from sources within the State.

The establishment and operation of a lunch program is a community project. Primary responsibility for its operation lies with the local sponsor--the school board or a school official. However, parents, teachers, civic and other groups, and the children themselves all contribute to its success. Any group that is interested may cooperate with school officials in initiating a program. Benefits for raising funds are sponsored by schools, women's clubs, parent-teacher associations, church groups, and others. Donations in goods and services are made for equip-

ping lunchrooms, providing food, and preparing and serving the meals. Under the direction of teachers, older boys often build the tables, benches, storage cabinets, and other equipment for the lunchroom. Girls in home economics classes make curtains and dish towels and, under the supervision of instructors, assist in planning menus and preparing and serving the food. Parents contribute their services for canning vegetables in seasonal abundance.

A reasonable value may be put on goods and services contributed to the program and be applied to the matching requirements. Children able to pay may be charged a small amount for the lunch, and money derived in this way may also be counted toward matching Federal funds.

As an incentive for providing a wholesome lunch, the highest rate of reimbursement is given for the complete lunch, known as Type A. This lunch consists of 1/2 pint of whole milk, generous portions of vegetables or fruit, enriched bread, butter or margarine, and two ounces of meat, fish, or cheese or certain substitutes.

Schools with limited lunchroom facilities may contract to serve a Type B lunch, which provides about two-thirds as much food as the Type A lunch and should be supplemented by food brought from home. Those with no lunchroom facilities may provide 1/2 pint of whole milk.

#### Good Food Habits Are "Catching"

Teachers have noted decided improvements in scholarship after establishment of school lunch programs. Children are alert and learn more readily. There are fewer absences. Good food habits are developed and are carried into the home. Some schools report requests from parents for instruction on preparation of foods as they are prepared at the school. Some school officials point out that the program promotes better cooperation between the school and the community.

The number of benefits multiplies when it is recognized that while the program is promoting good health among school children it is contributing to the economic health of agriculture.

Cooperators all the way up the line are looking forward to a program in 1949-50 that will serve more children in more schools than ever before.

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#### PREPACKAGERS LISTED

An extremely useful publication, a "List of Prepackagers of Fresh Fruits and Vegetables," has been issued by PMA's Fruit and Vegetable Branch, USDA. The publication has assembled, alphabetically by State, the names, addresses and products packed of eleven hundred prepackagers of consumer-size units. From time to time supplementary sheets containing corrections and additions will be issued. Copies may be obtained from the Information Branch, Production and Marketing Administration, U. S. Department of Agriculture.

# There's Turkey on the Table

By George F. Snell

Consumers will have available this season the second largest supply of turkeys on record. According to the latest estimate, about 41,107,000 birds are being raised for market this year. This is an increase of 29 percent over the total quantity raised in 1948 and closely approaches the all-time record quantity of 44,000,000 birds raised in 1945.

## There'll Be Second Helpings

This means that there will be an adequate supply of turkey--we'll have plenty for our holiday tables with some left over for other state occasions. There will be many birds of small and medium sizes for family use and plenty king-size available for restaurants, hotels, and dining car services. In addition, the big birds will be a source of supply of turkey parts and turkey steaks for those who cannot use a whole turkey. No matter how we use it, there will be about 4 1/2 pounds of turkey for every man, woman and child in the United States this year. Last year the per capita supply was only 3.2 pounds.



*The big king-size gobble is our traditional festive bird. This year there will also be plenty of the family-sized turkeys and turkey steaks for those who prefer them.*

## Why So Many Turkeys?

Why are growers raising so many more turkeys this year than they did last year? There are several reasons. Of most importance, perhaps, is the fact that turkey production was an extremely profitable enterprise in 1948. Growers sold their turkeys last year at the highest prices on record. They took excellent care of the relatively small number of turkey poults hatched in the spring of 1948. Poults and young turkey losses for the year were the lowest in history. This helped in some measure, to offset the high cost of production in 1948--a cost due largely to high feed prices through most of last year.

This year, when growers began laying plans for turkey production in 1949, there were two factors which suggested that the time was ripe for expanding production. These factors were: Substantial turkey profits

in 1948; and declining feed prices brought about by the record grain and feed crop production last year.

With these considerations in mind, growers indicated their intentions early this year of producing about 25 percent more birds in 1949 than they had in 1948. As a goal for 1949, the U. S. Department of Agriculture suggested a 10 percent increase over 1948. This was because USDA experts felt that production in 1948 was too small and that an increase of 10 percent in 1949 could be marketed at profitable prices to farmers without the need of a price support program.

Turkey growers began the 1949 season, however, with 33 percent more breeder hens on farms than they had last year. The hatching season was an active one with the output of the hatcheries reporting 58 percent greater than it was a year ago.

If the mortality of poults and young turkeys had been as small this year as it was in 1948, turkey production likely would have exceeded all previous records. But record high prices and the profits derived from turkeys last year drew many inexperienced growers into the business for 1949.

Though there were heavy poult losses, production increases are general as compared with last year in all areas where turkeys are produced in substantial numbers. In some States and areas, the increases are startling.

#### Increases Vary With States

Arkansas, for example, is producing 121 percent more turkeys this year than it did in 1948. New York State is producing only 3 percent more, but there is an all-time record crop in California--the leading turkey State, and by regions, the increases range from 10 percent to as much as 38 percent over last year.

Stocks of turkeys in storage are low. They amount to less than 22 million pounds at the latest accounting (August 15) and leave the way open for the marketing of 1949-crop birds without the handicap of a heavy holdover.

But there is a heavy crop to be marketed. The problem will be to prevent turkey stocks from piling up in marketing channels and thereby causing a sharp decline in producer prices. It is assumed, that, in general, the price that the consumer will pay for his turkey this fall will be lower than it was a year ago. The actual difference will depend to a great extent upon the volume of marketings, particularly at the height of the marketing season.

From the producer point of view there will be danger, throughout the marketing period of an over-supply of turkey in market channels. For this reason, the U. S. Department of Agriculture has launched a price support program for turkeys to prevent producer prices from falling below 90 percent of parity. The Department is required by law to support turkey prices.

At 90 percent of parity for the major marketing season, producer prices of 1949-crop live turkeys will be supported at a national average level of about 31 cents a pound. This compares with a national average price received by turkey growers during the entire marketing season last year of 47.4 cents a pound liveweight--representing 114 percent of parity.

The method of support under the 1949 program will be the purchase by the Department of New York-dressed, frozen turkeys from vendors at stipulated prices reflecting established prices to producers for live turkeys. Vendors who sell dressed turkeys to the government must certify that they have paid the prescribed liveweight prices for all of the turkeys they buy.

### Orderly Marketing Encouraged

In effect, the 1949 program is intended to provide a floor below which average farm prices should not fall, and thus to encourage producers to market their turkeys in an orderly manner.

The actual price levels at which turkeys sell this fall depend to some extent upon the degree of orderly marketing exercised by producers. If markets are kept well supplied but not over-supplied, there is more than a fair chance that farm prices will not drop as low as 90 percent of parity. On the other hand, in the face of the heavy crop being produced, any over-supply in market channels for an extended period may result in extensive purchasing by government to keep prices at the required level of parity.

Other factors which will govern the marketing of turkeys this season will be the volume of consumer demand at the lower prices expected to prevail, and the demand for turkeys for storage.

When farmers early this year revealed their intentions concerning turkey production in 1949 they indicated that they would market about 26 percent of their birds in October or earlier, 38 percent in November, 28.5 percent in December and nearly 8 percent in January. This allows for "normal" farm use of turkeys.

Whether farmers carry out their intention or not, depends to a large extent upon market conditions and price trends. What happened early last fall is a case in point. Grower intentions early last year indicated that marketings in October and earlier would amount to about 23 percent of the crop. Farmers actually sold only 19.5 percent, however, for the reason that prices were moving toward higher levels.

This year, with the possibility of falling prices as the season progresses, there is a chance that farmers may market more birds during the early season than their intentions have indicated. Other than the consideration of price trends, there is the added fact that producers are leaning more and more toward the marketing of turkey rather early in the season. Early poults are cheaper to raise, death losses are smaller and early maturing birds are less subject to storm losses than those maturing late in the season.

Department officials, however, maintain that orderly marketing throughout the season will assure producers of firmer price trends than will the rushing of birds to market before they are mature or the holding of turkeys until late in the season.

The price support program, however, will be operated for the entire marketing season ending December 31, 1949. Thus, farmers will be assured of having a floor under the market for the fall and early winter period.

In addition, the price support program will operate during the month of July 1950 when the Department will accept offers of turkeys in storage which were procured from producers during the August 1-December 31, 1949 period. This feature of the program is intended to encourage the storage of turkeys in the major marketing season. Further, it will give vendors a chance to sell their stored birds in consumer channels during the first 6 months of 1950. After June 30, 1950, vendors who have not disposed of their storage turkeys will have a month in which to offer them to the Government.

During the 1949 marketing season ending December 31, vendors may offer their turkeys at any time, but they must be delivered, if accepted, within 30 days of the offer date. This is a modification of the original program which required that turkeys be offered within 30 days after date of slaughter. The modified regulation is expected to give vendors greater opportunity to place turkeys in consumer trade channels and to result in the purchase of fewer turkeys by the Government for price support purposes.

#### Consumer Pamphlet Available

In connection with consumer use of turkeys, the U. S. Department of Agriculture has issued a new pamphlet "Turkey on the Table the Year 'Round." This is now being printed and is expected to be available early this fall to aid consumers in selecting and preparing whole turkeys or turkey parts for the table.

The bulletin represents the joint effort of the Bureau of Human Nutrition and Home Economics, the Production and Marketing Administration, and the Bureau of Animal Industry in bringing up to date information pertaining to the uses of whole turkey or turkey parts. It deals step by step with selection, preparation, cooking and serving.

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#### COOKERY RESEARCH TO STUDY LOWER GRADES OF BEEF

Beef cookery research has heretofore dealt chiefly with high-grade, tender meat, but a study under way now seeks to learn which basic home cooking methods are most suitable for giving consumers satisfactory returns with various cuts of lower grades, the U. S. Department of Agriculture has announced. The work is being undertaken with funds allotted under the Research and Marketing Act.

# Kansas Reports Vital Wheat Data

By Leighton G. Foster

Federal and State agencies in Kansas have cooperated this year to make available to producers and the trade full information, by counties, on the types of wheat grown, its protein content, test weights, progress of harvest, and availability of storage space for the grain.

Provision of such data, largely just before harvest, gives the grower information on which he can base a request for payment of premiums for high-quality wheat. Millers can make practical use of the information as a guide in buying the particular kinds of wheat that are most suitable for their products.

Protein content, varieties, and weight of wheat were determined by gathering many samples in each county. A rectangular metal hoop, measuring one ten-thousandth of an acre, was dropped over wheat in the field and the grain covered was taken as the sample. Laboratory tests were made at Kansas State College.

Notes were made on the condition of the crop in the field from which samples were taken. Percentages of wheat of the different types (Dark Hard, Hard, Yellow Hard, Soft, and Mixed) were computed to show what kinds and quantities were available in each county.

## Cooperative Efforts Produce the Data

The surveys and reports of the findings were made under a cooperative agreement between the Kansas State board of agriculture and the U. S. Department of Agriculture under the Research and Marketing Act. Half the funds were provided by the State board and half by the Department, through the Production and Marketing Administration. The Bureau of Agricultural Economics cooperated in the work.

Shortly before harvest time, a complete survey was made of storage facilities for small grains in Kansas. A county-by-county report was made, showing total storage space and the proportion of it that was available for the 1949 crop. This study showed that capacity in the eastern one-third of the State is generally adequate; in some counties of the west central and southwestern areas, it is critically short; and, for years of heavy production, space is short in much of the western two-thirds of the State.

Storage capacity for small grains in Kansas was reported as 282 million bushels this year, compared with 269 million a year earlier. On May 15, about 8 percent of this capacity was occupied. The total capacity

included some 67 million bushels of storage space of a temporary nature, such as machine sheds, brooder houses, garages and other buildings that can be used for grain storage only in emergency periods.

The Kansas survey is one of numerous marketing service projects, dealing with many crops, that are carried on cooperatively by the USDA in cooperation with State departments of agriculture and bureaus of markets. Twenty-three States are taking part in the program.



#### 1949-CROP CORN PRICE SUPPORT PROGRAM ANNOUNCED

The U. S. Department of Agriculture announced August 22 that 1949-crop corn will be supported by the Commodity Credit Corporation at 90 percent of the corn parity price as of October 1, 1949, by farm-storage and warehouse-storage loans and by purchase agreements.

Where the need exists interim rates will be supplied by State PMA Committees. The interim rates are based on 90 percent of July 15 parity with 4 cents a bushel deducted as a safety margin against possible changes in parity between the announcement date and October 1.

Except as provided below, loans and purchase agreements will be available from time of harvest through May 31, 1950, and will mature on July 31, 1950. Producers who elect to deliver corn under a purchase agreement must notify their county conservation committee within a 30-day period before maturity.

In areas where producers cannot store corn safely for the full storage period because of climatic conditions, insects, or other factors affecting safe storage, the loans and purchase agreements will be available from time of harvest through a date earlier than May 31, 1950, as may be determined by State PMA Committees. In these instances, the delivery dates for farm storage loans and purchase agreements also may be advanced, but no advance will be made in delivery dates for warehouse storage loans.

USDA announced that where final availability and delivery dates are advanced, the final availability date will be at least 30 days prior to the first day of the delivery period, which delivery period will be the first ten days of either May, June, or July 1950. Deliveries will be accepted by CCC during any of these designated periods provided the producer notifies the county committee of his intentions to deliver not later than 10 days before the first day of the delivery period.

Corn placed under loan must, except for moisture content, grade U.S. No. 3, or better, or No. 4 on test weight only, and meet the moisture requirements for safe storage. Corn delivered under a purchase agreement must grade U. S. No. 3 or better, or No. 4 on the factor of test weight only. The program will be administered in the field through PMA commodity offices, State PMA committees, and county ACP committees.

## MARKETING BRIEFS:

Cotton.--USDA announced August 19 that loans will be made on clean, safely-stored cottonseed having a moisture content of 11 percent or less, under the 1949 crop cottonseed price support program. On August 5, USDA had stated that it would loan on cottonseed having a moisture content of 10 percent or less. This was raised one percent by the later announcement. Loans under the program at the rate of \$49.50 per ton (90 percent of the August 1 parity price of \$55 per ton) will be made through December 31, 1949, and will mature not later than April 3, 1950....A study of the African cotton situation as it may effect the market for U. S. will be made by the Office of Foreign Agricultural Relations. The Research and Marketing Act study will be made in view of renewed interest by some leading cotton consuming countries of Europe in expanding cotton production in their African territories.

Dairy.--August 16 USDA announced its decision to make four changes in the terms of the Federal order regulating the handling of milk in the Louisville, Ky., milk marketing area. The major change would substitute for the flat rate of 30 cents per hundredweight of the present premium payment plan for fall milk production, a payment at 8 percent of the average basic formula (representing the price paid for milk used in manufactured dairy products) announced for the previous calendar year. The amount would change automatically from year to year with changes in the level of market prices for milk. Other changes included in the Department's decision would (1) increase by 1 cent per hundredweight the present 4-cent marketing service deduction made from payments to producers who are not members of a qualified cooperative, (2) increase by 1/2 cent per hundredweight the present 2-cent administrative assignment against handlers, and (3) clarify the language relating to the classification of milk. Before the changes can be made effective they must be approved by two-thirds of the dairy farmers regularly supplying the Louisville market.

Fats and Oils.--During August 4 and 5 fats and oils research was discussed at a Washington, D. C. conference of producers, industry representatives, USDA officials and others. At the meeting, called by the Agricultural Research Administration, suggestions were sought for work to be undertaken in response to provisions in the Agriculture appropriation for 1950 which specifically earmarked \$225,000 for fats and oils research under the Research and Marketing Act.

Fruits and Vegetables.--The Production and Marketing Administration is developing further steps in a program of assistance for California grape and raisin producers--to aid in the handling and marketing of their crops--USDA has announced. A marketing agreement and order to regulate the handling of raisins produced from raisin variety grapes grown in California went into effect this week. Recommended by representatives of raisin producers and handlers, and approved by a large majority in a referendum, the agreement and order provide for orderly marketing and for control of surplus raisin supplies. Under this program, raisins acquired by handlers can be divided into free tonnage, reserve tonnage, and sur-

plus tonnage. Free tonnage can be disposed of in commercial trade channels, domestic and foreign. Reserve tonnage can be released to augment the free tonnage if needed. Surplus tonnage, and any remainder of the reserve tonnage, is to be diverted--disposed of in ways which will not interfere with disposition in commercial trade channels.... The Agricultural Research Administration points out that cranberry merchandisers have found a handy red-revealing cellophane package, which can be filled at point of production, and pleases the consumer and builds up sales. The package was developed in a project carried on under the Research and Marketing Act and indicates the feasibility of putting up the berries in the retail bag at the bog or the storage plant. The researchers say that the procedure is safe and economical and that the results proved it to be practical to store the prepackaged berries for 4 to 8 weeks without risking excessive spoilage, if the temperature is kept down to 33° or even at 38° F. The specialists also pointed out that the berries stored 4 weeks at the lower temperature could be kept at 70° for a week following the cold storage and lose very little from decay--an indication that they would stand up well for that length of time while being held in a retail store or in the home of a consumer. There was somewhat more decay when the berries were stored at 38°, and at 50° it was heavy during storage and during the week of holding at 70°.

Grains.--The Commodity Credit Corporation announced August 17 that it has todate contracted for the purchase of 13,790 bin-type and comparable grain storage structures, with a total capacity of 112,837,640 bushels, under the offer to purchase announced on July 21. All of the structures are of a semi-permanent type which can be dismantled and moved to other locations and converted to other uses when they are no longer required by CCC. The awards call for delivery within 30 days of the date of award and are part of a total objective which contemplates as much as 500 million bushels capacity, if procurable at the right prices and within the time limitation. The contracts reported average less than 20 cents per bushel of capacity for "unerected" storage at the factory, and less than 30 cents per bushel for "erected" storage at the site. CCC is continuing its analysis of offers received under the July 21 announcement, together with those being received under the August 15 announcement, to determine further awards for delivery of bins within 60 days from the date of award.... Texas is in need of much greater public storage capacity for bulk rough rice, according to PMA's Grain Branch, USDA. This conclusion was reached on the basis of a survey of rice storage and drying facilities in the State, made by the Grain Branch under the Research and Marketing Act. A detailed report on the Texas study is now available. A report on rice storage and drying in Louisiana was issued previously.... The Office of Foreign Agricultural Relations announces that while no immediate drop in U. S. rice exports to the customary Latin American markets is expected, a gradual decline from the current postwar peak of U. S. rice shipments is likely to occur after 1950. The statement is based on marketing observations, made first hand in 11 Latin American areas. The study was conducted for the OFAR under the Research and Marketing Act.

Livestock.--The Livestock Branch of PMA has announced that proposed standards for grades of slaughter hogs and pork carcasses have been developed by USDA in accordance with certain fundamental principals in-

volving ratios of lean cuts to fat cuts and the quality of meat. The wide difference between current prices of fat and lean cuts has created increased interest in the proposed grades and numerous requests have been received from producers and packers for information concerning the proposed system. Although further tests and studies are being made, this statement is released to provide information of results to date and to invite constructive criticism of the proposals. In setting up the proposed standards major emphasis has been given to two factors--(1) the physical composition, the ratio of lean to fat cuts, and (2) quality of meat in the cuts. Proposed standards for both carcasses and live hogs have as their fundamental bases, the measurement of carcass length or weight and thickness of back fat.

Tobacco.--Designation of the flue-cured tobacco market at Ellerbe, N. C. for the free and mandatory inspection and market news service of PMA was announced August 25 by USDA. This action, under Section 5 of the Tobacco Inspection Act, follows approval of the growers selling tobacco on the Ellerbe market who voted in a referendum held during the period March 24 through March 26, 1949. In this referendum 99.8 percent of the growers voting favored designation of the Ellerbe market for inspection and market news service. The tobacco inspection law requires that before a market may be designated for the service, no less than 66 2/3 percent of those voting must favor the action. Inspection and certification of tobacco on the warehouse sales floors and the distribution of reports on prices by grades are features of the service and serve as guides to growers in accepting or rejecting bids offered.

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#### CO-OP FRUIT AND VEGETABLE PROCESSORS MARKET THREE-FIFTHS PRODUCTS UNDER OWN BRANDS

Cooperatives market more than three-fifths of their canned and frozen fruits and vegetables under their own brands, according to a survey made under the Research and Marketing Act and summarized in Miscellaneous Report 130 of the Farm Credit Administration, USDA. The survey reveals that the price at the beginning of the season is usually determined by the cost of the pack plus one other factor such as "sufficient margin" or "a fair return to growers." More than half of all co-op processors make at least part of their sales on contracts prior to processing. About three-fourths of their total sales are through brokers and about 95 percent of co-op canned and frozen fruits and vegetables are sold f.o.b. shipping point. The co-ops supplying information reported handling 27.5 million cases of canned vegetables, fruits and berries, juices, and other fruit products such as jams, jellies, and marmalades, and 50.7 million pounds of frozen fruits and vegetables.

Farm Credit Administration announces that another study, summarized in Miscellaneous Report 129, shows that combining preparation of products for storage with storage locker service has been one of the most important factors contributing to the rapid growth of cooperative frozen food locker plants. The study, made with Research and Marketing Act funds, covers 70 cooperatives operating 65 slaughter and 112 locker plants located in nine Midwestern, Southwestern and Southeastern States.

The following addresses, statements, and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses and Statements:

Abundance--For Better or Worse?, a talk by Secretary of Agriculture Charles F. Brannan, at Bloomington, Ill., August 23, 1949. 13 pp. (Processed)

Soil Conservation--A Farm Program Essential, a talk by Secretary of Agriculture Charles F. Brannan, at State School Farm, Apple Creek, Wayne County, Ohio, August 24, 1949. 7 pp. (Processed)

Toward a Prosperous Dairyland, a talk by Secretary of Agriculture Charles F. Brannan, at Juneau, Wis., July 31, 1949. 13 pp. (Processed)

Tools To do the Job, a talk by Secretary of Agriculture Charles F. Brannan, at North Carolina State College, Raleigh, N. C., August 9, 1949. 10 pp. (Processed)

Land of the Free, a talk by Secretary of Agriculture Charles F. Brannan, at University of Missouri, Columbia, Mo., August 8, 1949. 12 pp. (Processed)

Working Together--With a Purpose, a talk by Undersecretary of Agriculture Albert J. Loveland, at Little Rock, Ark., August 10, 1949. 12 pp. (Processed)

Farmer Cooperatives and Their Future, a talk by Assistant Secretary of Agriculture Knox T. Hutchinson, at the University of Wisconsin, Madison, Wis., August 23, 1949. 9 pp. (Processed)

A summary of remarks by Ralph S. Trigg, Administrator of PMA and President of CCC, at Farmer-Committeeman Meeting at Auburn, Alabama, August 2, 1949. 6 pp. (Processed)

Publications:

Concentration Markets for Fruits and Vegetables in Sumpter and Lake Counties, Fla. (PMA) June 1949. 21 pp. (Processed)

Packaging of Rice and Dry Beans and Peas. (PMA) Aug. 1949. 32 pp. (Processed)

Cotton Mats (Quilts) For Curing Concrete. (PMA) June 1949. 10 pp. (Processed)

Some Observations on the Relationship of Quality of Fresh Sour Cherries to Their Processed Products, and Effects of Processing on Various Types of Defects. (PMA) June 1949. 16 pp. (Processed)

## ABOUT MARKETING (Cont'd)

List of Prepackagers of Fresh Fruits and Vegetables. (PMA) July, 1949. 30 pp. (Processed)

United States Standards for Grades of Dried Figs. Effective Aug. 29, 1949. (PMA) 23 pp. (Processed)

United States Standards for Grades of Canned Blended Grapefruit Juice and Orange Juice. Effective July 29, 1949. (PMA) 16 pp. (Processed)

United States Standards for Grades of Canned Grapefruit Juice. Effective July 29, 1949. 16 pp. (Processed)

United States Standards for Grades of Canned Tangarine Juice. Effective July 29, 1949. 16 pp. (Processed)

Survey of Rice Storage and Drying Facilities in Louisiana: 1949. (PMA) July 1949. 9 pp.

Survey of Rice Storage and Drying Facilities in Texas: 1949. (PMA) August 1949. 13 pp.

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PMA-State Summaries of Commodity Marketing Seasons. (Listed by commodities with States indicated, all processed)

Interstate Shipments of California Decidious Tree Fruits. 1949 Season. May 1949. 67 pp.

Marketing California Grapes and Raisins. 1948 Season. July 1949. 75 pp.

Marketing Arizona Salt River Lettuce. Summary of 1948 Fall and 1949 Spring Seasons. May 1949. 22 pp.

Marketing Northwestern Onions: Summary of the 1948-49 Season, Oregon, Washington, Idaho. June 1949. 19 pp.

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Marketing the Michigan Onion Crop. 1948 Season. 7 pp.

Marketing Arkansas Peaches: Brief Review of the 1949 Season. July 1949. 4 pp.

Marketing Florida and Georgia Watermelons: Summary of 1949 Season. July 1949. 5 pp.

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Farm Real Estate Taxes in 1948. (Bureau of Agricultural Economics) August 1949. 5 pp. (Processed)

Tree Nuts: Acreage, Production, Farm Disposition, Value, and Utilization of Sales, 1946, 1947 and 1948. (BAE) August 1949. 9 pp. (Processed)

ABOUT MARKETING (Cont'd)

Soybeans Harvested for Beans: Acreage, Yield and Production, 1947 and 1948. By Counties for 18 Principal States. (BAE) July 1949. 37 pp. (Processed)

Seasonality of Milk Deliveries in the Boston Milkshed. (BAE) June 1949. 46 pp. (Processed)

Agricultural Economic and Statistical Publications. (Bureau of Agricultural Economics) July 1949. 45 pp. (Processed)

Margins for Marketing Livestock from Farms to Slaughtering Plants and Feedlots. (Bureau of Agricultural Economics) July 1949. 10 pp. (Processed)

Farm-to-Retail Margins for Livestock and Meat. (BAE) June 1949. 33 pp. (Processed)

The Federal Excise Tax on the Transportation of Property With Special Reference to Agriculture. (BAE) June 1949. 37 pp. (Processed)

The Market Outlook and Prospective Competition for United States Rice in Asia, the Near East, and Europe. (Office of Foreign Agriculture) FAR-35. June 1949. 79 pp. (Processed)

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